AGREEMENT

Between:

British Columbia Hydro and Power Authority, a Crown Corporation in the Province of British Columbia having an office at 333 Dunsmuir Street, Vancouver, British Columbia, V6B 5R3,

("**BC Hydro**")

And:

Peace River Regional District, having an office at 1981 Alaska Avenue, Dawson Creek, BC V1G 4H8,

(the "**PRRD**")

(collectively referred to as **"the Parties")**

BACKGROUND:

A. BC Hydro is constructing the Site C Dam on the Peace River in Northeast British Columbia (the "Project").

B. Condition 46 of the Project Environmental Assessment Certificate (EAC) requires BC Hydro to work with the PRRD, to establish resources and funding arrangements to address a potential shortfall in existing landfill capacity during the construction phase of the Project.

C. BC Hydro uses the North Peace Regional Landfill (NPRL), which is owned and operated by the PRRD to dispose of Project related materials.

D. The PRRD has implemented a tracking system for solid waste from the Project being received at the NPRL and is reporting the results to BC Hydro on a regular basis.

E. Based on the results of the PRRD tracking system, the BC Hydro annual solid waste forecast, the summary provided to the PRRD, and the requirements of the EAC, BC Hydro has agreed to compensate the PRRD for the value of the airspace consumed by the Project that is not already covered by tipping fees, on the terms and conditions set out below.

THEREFORE:

For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the PRRD and BC Hydro), the parties agree to the terms set out in this Agreement:

1. The Parties agree to use the compensation formula proposed by the PRRD on July 17, 2023 (the "**PRRD Airspace Valuation**") which is attached as Schedule A to this Agreement for purposes of calculating the compensation due to PRRD under this Agreement for use of the NPRL by BC Hydro.

2. The PRRD Airspace Valuation is based on publicly available information including the NPRL annual fee schedule and compaction rates.

3. The Parties agree that based on the PRRD Airspace Valuation, the current value of the use of the NPRL by BC Hydro for use of the NPRL from the start of the Project construction phase up to the end of C2022 is $1,453,592.71 (the "**Current Valuation"**).

4. The Parties agree to meet on an annual basis each year after C2022 to confirm the net used airspace valuation for the previous year based on the PRRD Airspace Valuation, so that a final valuation can be calculated in a timely and efficient manner at the end of the Project construction phase (the "**Final Valuation**") as determined by condition 46 of the Project's EAC.

5. Once the Final Valuation has been agreed to in writing by the Parties, BC Hydro shall pay the Final Valuation amount to PRRD no later than 120 days after the Final Valuation has been agreed to in writing by the Parties.

6. The PRRD acknowledges that the Final Valuation amount is the only compensation that PRRD is entitled to receive from BC Hydro regarding the NPRL airspace consumed by the Project as calculated by the PRRD Airspace Valuation, and agrees not to make any further or other claims associated directly or indirectly with the Project's use of the NPRL airspace. For clarity, the PRRD will continue to receive tipping fees for the Project's ongoing use of the NPRL.

GENERAL CONDITIONS

7. This Agreement shall expire upon receipt of the Final Valuation amount by the PRRD, except for clause 6, 9, and clause 10 which by their nature survive expiry of the Agreement.

8. The Parties agree that other than the Final Valuation amount, no further amounts are payable by BC Hydro to the PRRD in respect of the BC Hydro use of the NPRL under either this Agreement or Condition 46 of the EAC.

9. The Parties agree that effective on payment of the Final Valuation amount by BC Hydro to PRRD, the PRRD releases BC Hydro from any responsibility, liability, claims, or damages, the PRRD ever had, or at any time in the future may have by reason of or related to the use of the NPRL by BC Hydro.

10. Time is of the essence in the Agreement.

11. Each of the Parties shall execute all further documents and instruments and do all further and other things as may be necessary to carry out the terms of the Agreement.

12. The Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. The Parties

hereby irrevocably and unconditionally attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia and all courts competent to hear appeals therefrom.

13. This Agreement may not be modified except in writing signed by both parties.

14. This Agreement shall not be assigned by either Party without the written consent of the other Party, not to be unreasonably withheld.

15. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or electronic transmission shall be as effective as delivery of an originally executed counterpart hereof.

The Parties have executed this Agreement as follows:

SIGNED on behalf of **British Columbia Hydro and Power Authority** on the 17 day of May, 2024:	SIGNED on behalf of **PEACE RIVER REGIONAL DISTRICT** on the 1st day of May, 2024:
Signature	Signature
Shanna Mason Print Name	Print Name Brad Sperling
Director, Environment, Regulation, Community Impacts & Properties Site C Print Title	Print Title Chair

Signature

Print Name Shawn Dahlen

Print Title Chief Administrative Officer

Schedule A: Airspace Valuation

Year	Material	Tonnage Brought to Landfill tonnes A	Landfill Tipping Rates $/tonne B	Revenue Received to Date $ C = A x B	Annual AUF tonnes/m³ D	Airspace Consumed m³ E = A / D	Annual Airspace Value $/m³ F = $76.84 x (0.637/D)	Value of Airspace Utilized $ G = E x F	Net Airspace Payment $ H = G - C
2016	Summary	547.390	$55.00	$30,106.45	0.674	812.150	$72.62	$58,979.88	**$28,873.43**
2017	Summary	1,358.160	$55.00	$74,698.80	0.907	1,497.420	$53.97	$80,809.64	**$6,110.84**
2018	Summary	1,840.540	$55.00	$101,229.70	0.650	2,831.600	$75.30	$213,228.54	**$111,998.84**
2019	Summary	3,278.250	$55.00	$180,303.75	0.570	5,751.320	$85.87	$493.877.39	**$313,573.64**
2020	Domestic	5,487.951	$56.82	$311,825.38	0.500	10,975.900	$97.89	$1,074,476.71	**$762,651.34**
	Construction Waste	77.468	$113.63	$8,802.71		154.94		$15,167.36	**$6,364.65**
	Mixed Waste	110.710	$113.63	$12,579.98		221.420		$21,675.72	**$9,095.75**
2021	Domestic	2,087.954	$56.82	$118,637.55	0.580	3,599.92	$84.39	$303,802.77	**$185,165.23**
	Construction Waste	4,186.335	$113.63	$475,693.25		7,217.82		$609,122.69	**$133,429.45**
	Mixed Waste	106.801	$113.63	$12,135.80		184.140		$15,539.82	**$3,404.03**
2022	Domestic	1,473.660	$60.00	$88,419.59	0.580	2,540.790	$84.39	$214,412.36	**$126,001.77**
	Construction Waste	4,194.334	$200.00	$838,866.70		7,231.610		$610,286.50	**-$228,520.20**
	Mixed Waste	82.500	$200.00	$16,500.00		142.24		$12,003.97	**-$4,496.03**
Net Total				**$2,269,799.64**				**$3,723,392.36**	**$1,453,592.71**

Column A – Tonnage Brought to Landfill

Based on numbers provided in BC Hydro's annual waste reports for materials that are placed in the active face of the landfill and consume airspace.

Column B – Landfill Tipping Rate

Tipping fees from PRRD's bylaw and published fee schedule for the year based on material type.

Column C – Revenue Received to Date

Established revenue for the material brought to site by the project using numbers in columns A and B.

Column D – Annual Airspace Utilization Factor

The Airspace Utilization Factor (AUF) is contained in the annual report for the landfill, which is prepared by a Qualified Professional each year on behalf of the PRRD. This factor is determined by taking the total tonnage of waste landfilled and dividing it by the total airspace that was consumed in that same period. This comes out as a tonne/m³ rate, when the number is larger there has been more waste compacted, when the rate is lower there is less material place and the airspace is being utilized less effectively comparatively.

Column E – Airspace Consumed

Establishes the amount of airspace that was consumed based on the tonnage of waste brought to site using the AUF each year.

Column F – Annual Airspace Value

Establishes the value of 1m³ of airspace in a given year using the 2021 Sperling Hansen report as a base line, and adjusting for the AUF each year. In years when the AUF is higher than the assumed AUF in the Sperling Hansen report, the rate will be lower, in years when the AUF is less than the Sperling baseline, it will be higher.

The baseline AUF used by Sperling Hansen is 0.637 tonnes/m³ based on the assumption of a compaction of 0.850 tonne/m³ and a waste to cover ratio of 3 parts waste to 1 part cover.

$$Baseline\ Airspace\ Value = \frac{Outstanding\ Costs}{\text{Remaining Airpsace}} = \frac{\$89{,}660{,}554}{1{,}166{,}866m3} = \$76.84/m^3 \text{ @ AUF of } 0.637 \text{tonne}/m^3$$

Column G – Value of Airspace Utilized

Places a value on the airspace used each year that is identified in Column E based on the rate established in Column F.

Column H – Net Airspace Payment

Determines the balance of tipping fees received versus the airspace consumed annually.